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DEPARTMENT FOR EUR/RUS AND EUR/NCE; PLEASE PASS TO NSC FOR ADAM STERLING

E.O. 12958: DECL: 05/29/2017

TAGS: PREL RU HU

SUBJECT: RUSSIA'S HUNGARIAN OFFENSIVE

Classified By: P/E ERIC V. GAUDIOSI; REASONS 1.4 (B) AND (D)

- $\underline{\mathbb{1}}1$. (U) This is an action message. Please see para 6 for quidance request.
- 12. (C) In a May 25 interview with the Hungarian publication Magyar Hirlap May 25, former Russian PM and current Chamber of Trade and Industry President Yevgevni Primakov disavowed any Russian intention to interfere in the internal affairs of its neighbors but levelled strong criticism of the United States on issues ranging from Missile Defense to Human Rights. Primakov's remarks received prominent coverage, and his meetings with both FM Goncz and Finance Minister Veres send yet another in a series of mixed messages on Russia from Budapest.
- 13. (C) Although Primakov's present position gives him a degree of deniability, we find his public remarks at odds with recent high-level discussion of the importance of toning down the rhetoric in our relationship with Russia.
- 14. (C) We can see why Hungary would serve as a suitable venue for Moscow's purposes. Inclined to give Russia the benefit of every doubt, Hungarian officials persist in their belief that deeper commercial ties with Moscow will somehow grant them leverage over Russia's actions through "dual dependency." A psychologist by training, FM Goncz in particular has resisted a harder line with Russia. Whether born of conviction or confusion, the end result in practice is often that Hungary risks becoming a "neutral ally."
- 15. (C) We note that neither Goncz nor Veres advised us of the Primakov trip in advance, and no GoH representative has publicly or privately distanced themselves from his harsh criticism of the US. With Hungarian National Security Advisor Valki due to return from discussions in Washington this week, we are prepared to engage with GoH officials to make clear our disappointment with the Primakov visit as yet another example of how Hungary's actions and inaction are calling into question its views on Russia ... and on the issues of vital importance to us in which Russia has now engaged. We are prepared to do so because this problem will not resolve itself absent our engagement.
- 16. (C) Embassy Budapest welcomes Department's guidance for such an approach to GoH officials. Briefing them on the Secretary's recent meetings would provide us with an

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excellent opportunity to outline our commitment to dialogue with Russia, and to underscore our conviction that Primakov's remarks deviate from our understanding with Moscow and our expectations from Budapest.